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KEN BENNETT
SECRETARY OF STATE

CHAPTER 305

SENATE BILL 1282

AN ACT

AMENDING SECTIONS 15-183 AND 15-184, ARIZONA REVISED STATUTES; RELATING TO
CHARTER SCHOOLS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-183, Arizona Revised Statutes, is amended to
3 read:

4 15-183. Charter schools; application; requirements; immunity;
5 exemptions; renewal of application; reprisal

6 A. An applicant seeking to establish a charter school shall submit a
7 written application to a proposed sponsor as prescribed in subsection C of
8 this section. The application shall include a detailed business plan for the
9 charter school and may include a mission statement for the charter school, a
10 description of the charter school's organizational structure and the
11 governing body, a financial plan for the first three years of operation of
12 the charter school, a description of the charter school's hiring policy, the
13 name of the charter school's applicant or applicants and requested sponsor, a
14 description of the charter school's facility and the location of the school,
15 a description of the grades being served and an outline of criteria designed
16 to measure the effectiveness of the school.

17 B. The sponsor of a charter school may contract with a public body,
18 private person or private organization for the purpose of establishing a
19 charter school pursuant to this article.

20 C. The sponsor of a charter school may be either a school district
21 governing board, the state board of education or the state board for charter
22 schools, subject to the following requirements:

23 1. For charter schools that submit an application for sponsorship to a
24 school district governing board:

25 (a) An applicant for a charter school may submit its application to a
26 school district governing board, which shall either accept or reject
27 sponsorship of the charter school within ninety days. An applicant may
28 submit a revised application for reconsideration by the governing board. If
29 the governing board rejects the application, the governing board shall notify
30 the applicant in writing of the reasons for the rejection. The applicant may
31 request, and the governing board may provide, technical assistance to improve
32 the application.

33 (b) In the first year that a school district is determined to be out
34 of compliance with the uniform system of financial records, within fifteen
35 days of the determination of noncompliance, the school district shall notify
36 by certified mail each charter school sponsored by the school district that
37 the school district is out of compliance with the uniform system of financial
38 records. The notification shall include a statement that if the school
39 district is determined to be out of compliance for a second consecutive year,
40 the charter school will be required to transfer sponsorship to another entity
41 pursuant to subdivision (c) of this paragraph.

42 (c) In the second consecutive year that a school district is
43 determined to be out of compliance with the uniform system of financial
44 records, within fifteen days of the determination of noncompliance, the
45 school district shall notify by certified mail each charter school sponsored

1 by the school district that the school district is out of compliance with the
2 uniform system of financial records. A charter school that receives a
3 notification of school district noncompliance pursuant to this subdivision
4 shall file a written sponsorship transfer application within forty-five days
5 with the state board of education, the state board for charter schools or the
6 school district governing board if the charter school is located within the
7 geographic boundaries of that school district. A charter school that
8 receives a notification of school district noncompliance may request an
9 extension of time to file a sponsorship transfer application, and the state
10 board of education, the state board for charter schools or a school district
11 governing board may grant an extension of not more than an additional thirty
12 days if good cause exists for the extension. The state board of education
13 and the state board for charter schools shall approve a sponsorship transfer
14 application pursuant to this paragraph.

15 (d) A school district governing board shall not grant a charter to a
16 charter school that is located outside the geographic boundaries of that
17 school district.

18 (e) A school district that has been determined to be out of compliance
19 with the uniform system of financial records during either of the previous
20 two fiscal years shall not sponsor a new or transferring charter school.

21 2. The applicant may submit the application to the state board of
22 education or the state board for charter schools. The state board of
23 education or the state board for charter schools may approve the application
24 if the application meets the requirements of this article and may approve the
25 charter if the proposed sponsor determines, within its sole discretion, that
26 the applicant is sufficiently qualified to operate a charter school AND THAT
27 THE APPLICANT IS APPLYING TO OPERATE AS A SEPARATE CHARTER HOLDER BY
28 CONSIDERING FACTORS SUCH AS WHETHER:

29 (a) THE SCHOOLS HAVE SEPARATE GOVERNING BODIES, GOVERNING BODY
30 MEMBERSHIP, STAFF, FACILITIES, AND STUDENT POPULATION.

31 (b) DAILY OPERATIONS ARE CARRIED OUT BY DIFFERENT ADMINISTRATORS.

32 (c) THE APPLICANT INTENDS TO HAVE AN AFFILIATION AGREEMENT FOR THE
33 PURPOSE OF PROVIDING ENROLLMENT PREFERENCES.

34 (d) THE APPLICANT'S CHARTER MANAGEMENT ORGANIZATION HAS MULTIPLE
35 CHARTER HOLDERS SERVING VARIED GRADE CONFIGURATIONS ON ONE PHYSICAL SITE OR
36 NEARBY SITES SERVING ONE COMMUNITY.

37 (e) IT IS RECONSTITUTING AN EXISTING SCHOOL SITE POPULATION AT THE
38 SAME OR NEW SITE.

39 (f) IT IS RECONSTITUTING AN EXISTING GRADE CONFIGURATION FROM A PRIOR
40 CHARTER HOLDER WITH AT LEAST ONE GRADE REMAINING ON THE ORIGINAL SITE WITH
41 THE OTHER GRADE OR GRADES MOVING TO A NEW SITE.

42 The state board of education or the state board for charter schools may
43 approve any charter schools transferring charters. The state board of
44 education and the state board for charter schools shall approve any charter
45 schools transferring charters from a school district that is determined to be

1 out of compliance with the uniform system of financial records pursuant to
2 this section, but may require the charter school to sign a new charter that
3 is equivalent to the charter awarded by the former sponsor. If the state
4 board of education or the state board for charter schools rejects the
5 preliminary application, the state board of education or the state board for
6 charter schools shall notify the applicant in writing of the reasons for the
7 rejection and of suggestions for improving the application. An applicant may
8 submit a revised application for reconsideration by the state board of
9 education or the state board for charter schools. The applicant may request,
10 and the state board of education or the state board for charter schools may
11 provide, technical assistance to improve the application.

12 3. Each applicant seeking to establish a charter school shall submit a
13 full set of fingerprints to the approving agency for the purpose of obtaining
14 a state and federal criminal records check pursuant to section 41-1750 and
15 Public Law 92-544. If an applicant will have direct contact with students,
16 the applicant shall possess a valid fingerprint clearance card that is issued
17 pursuant to title 41, chapter 12, article 3.1. The department of public
18 safety may exchange this fingerprint data with the federal bureau of
19 investigation. The criminal records check shall be completed before the
20 issuance of a charter.

21 4. All persons engaged in instructional work directly as a classroom,
22 laboratory or other teacher or indirectly as a supervisory teacher, speech
23 therapist or principal shall have a valid fingerprint clearance card that is
24 issued pursuant to title 41, chapter 12, article 3.1, unless the person is a
25 volunteer or guest speaker who is accompanied in the classroom by a person
26 with a valid fingerprint clearance card. A charter school shall not employ a
27 teacher whose certificate has been revoked for a violation of section 15-507
28 or 15-550 or for any offense that placed a pupil in danger. All other
29 personnel shall be fingerprint checked pursuant to section 15-512. Before
30 employment, the charter school shall make documented, good faith efforts to
31 contact previous employers of a person to obtain information and
32 recommendations that may be relevant to a person's fitness for employment as
33 prescribed in section 15-512, subsection F. The charter school shall notify
34 the department of public safety if the charter school or sponsor receives
35 credible evidence that a person who possesses a valid fingerprint clearance
36 card is arrested for or is charged with an offense listed in section
37 41-1758.03, subsection B. Charter schools may hire personnel that have not
38 yet received a fingerprint clearance card if proof is provided of the
39 submission of an application to the department of public safety for a
40 fingerprint clearance card and if the charter school that is seeking to hire
41 the applicant does all of the following:

42 (a) Documents in the applicant's file the necessity for hiring and
43 placement of the applicant before receiving a fingerprint clearance card.

44 (b) Ensures that the department of public safety completes a statewide
45 criminal records check on the applicant. A statewide criminal records check

1 shall be completed by the department of public safety every one hundred
2 twenty days until the date that the fingerprint check is completed.

3 (c) Obtains references from the applicant's current employer and the
4 two most recent previous employers except for applicants who have been
5 employed for at least five years by the applicant's most recent employer.

6 (d) Provides general supervision of the applicant until the date that
7 the fingerprint card is obtained.

8 (e) Completes a search of criminal records in all local jurisdictions
9 outside of this state in which the applicant has lived in the previous five
10 years.

11 (f) Verifies the fingerprint status of the applicant with the
12 department of public safety.

13 5. A charter school that complies with the fingerprinting requirements
14 of this section shall be deemed to have complied with section 15-512 and is
15 entitled to the same rights and protections provided to school districts by
16 section 15-512.

17 6. If a charter school operator is not already subject to a public
18 meeting or hearing by the municipality in which the charter school is
19 located, the operator of a charter school shall conduct a public meeting at
20 least thirty days before the charter school operator opens a site or sites
21 for the charter school. The charter school operator shall post notices of
22 the public meeting in at least three different locations that are within
23 three hundred feet of the proposed charter school site.

24 7. A person who is employed by a charter school or who is an applicant
25 for employment with a charter school, who is arrested for or charged with a
26 nonappealable offense listed in section 41-1758.03, subsection B and who does
27 not immediately report the arrest or charge to the person's supervisor or
28 potential employer is guilty of unprofessional conduct and the person shall
29 be immediately dismissed from employment with the charter school or
30 immediately excluded from potential employment with the charter school.

31 8. A person who is employed by a charter school and who is convicted
32 of any nonappealable offense listed in section 41-1758.03, subsection B or is
33 convicted of any nonappealable offense that amounts to unprofessional conduct
34 under section 15-550 shall immediately do all of the following:

35 (a) Surrender any certificates issued by the department of education.

36 (b) Notify the person's employer or potential employer of the
37 conviction.

38 (c) Notify the department of public safety of the conviction.

39 (d) Surrender the person's fingerprint clearance card.

40 D. A board that is authorized to sponsor charter schools pursuant to
41 this article has no legal authority over or responsibility for a charter
42 school sponsored by a different board. This subsection does not apply to the
43 state board of education's duty to exercise general supervision over the
44 public school system pursuant to section 15-203, subsection A, paragraph 1.

1 E. The charter of a charter school shall ensure the following:

2 1. Compliance with federal, state and local rules, regulations and
3 statutes relating to health, safety, civil rights and insurance. The
4 department of education shall publish a list of relevant rules, regulations
5 and statutes to notify charter schools of their responsibilities under this
6 paragraph.

7 2. That it is nonsectarian in its programs, admission policies and
8 employment practices and all other operations.

9 3. That it provides a comprehensive program of instruction for at
10 least a kindergarten program or any grade between grades one and twelve,
11 except that a school may offer this curriculum with an emphasis on a specific
12 learning philosophy or style or certain subject areas such as mathematics,
13 science, fine arts, performance arts or foreign language.

14 4. That it designs a method to measure pupil progress toward the pupil
15 outcomes adopted by the state board of education pursuant to section
16 15-741.01, including participation in the Arizona instrument to measure
17 standards test and the nationally standardized norm-referenced achievement
18 test as designated by the state board and the completion and distribution of
19 an annual report card as prescribed in chapter 7, article 3 of this title.

20 5. That, except as provided in this article and in its charter, it is
21 exempt from all statutes and rules relating to schools, governing boards and
22 school districts.

23 6. That, except as provided in this article, it is subject to the same
24 financial and electronic data submission requirements as a school district,
25 including the uniform system of financial records as prescribed in chapter 2,
26 article 4 of this title, procurement rules as prescribed in section 15-213
27 and audit requirements. The auditor general shall conduct a comprehensive
28 review and revision of the uniform system of financial records to ensure that
29 the provisions of the uniform system of financial records that relate to
30 charter schools are in accordance with commonly accepted accounting
31 principles used by private business. A school's charter may include
32 exceptions to the requirements of this paragraph that are necessary as
33 determined by the district governing board, the state board of education or
34 the state board for charter schools. The department of education or the
35 office of the auditor general may conduct financial, program or compliance
36 audits.

37 7. Compliance with all federal and state laws relating to the
38 education of children with disabilities in the same manner as a school
39 district.

40 8. That it provides for a governing body for the charter school that
41 is responsible for the policy decisions of the charter school.
42 Notwithstanding section 1-216, if there is a vacancy or vacancies on the
43 governing body, a majority of the remaining members of the governing body
44 constitute a quorum for the transaction of business, unless that quorum is
45 prohibited by the charter school's operating agreement.

1 9. That it provides a minimum of one hundred seventy-five
2 instructional days before June 30 of each fiscal year unless it is operating
3 on an alternative calendar approved by its sponsor. The superintendent of
4 public instruction shall adjust the apportionment schedule accordingly to
5 accommodate a charter school utilizing an alternative calendar.

6 F. The charter of a charter school shall include a description of the
7 charter school's personnel policies, personnel qualifications and method of
8 school governance and the specific role and duties of the sponsor of the
9 charter school. A charter school shall keep on file the resumes of all
10 current and former employees who provide instruction to pupils at the charter
11 school. Resumes shall include an individual's educational and teaching
12 background and experience in a particular academic content subject area. A
13 charter school shall inform parents and guardians of the availability of the
14 resume information and shall make the resume information available for
15 inspection on request of parents and guardians of pupils enrolled at the
16 charter school. Nothing in this subsection shall be construed to require any
17 charter school to release personally identifiable information in relation to
18 any teacher or employee, including the teacher's or employee's address,
19 salary, social security number or telephone number.

20 G. The charter of a charter school may be amended at the request of
21 the governing body of the charter school and on the approval of the sponsor.

22 H. Charter schools may contract, sue and be sued.

23 I. An approved plan to establish a charter school is effective for
24 fifteen years from the first day of the fiscal year the charter school is in
25 operation, subject to the following:

26 1. At least eighteen months before the expiration of the approved
27 plan, the sponsor shall notify the charter school that the charter school may
28 apply for renewal. A charter school that elects to apply for renewal shall
29 file an application for renewal at least fifteen months before the expiration
30 of the approved plan. In addition to any other requirements, the application
31 for renewal shall include a detailed business plan for the charter school, a
32 review of fiscal audits and academic performance data for the charter school
33 that are annually collected by the sponsor and a review of the current
34 contract between the sponsor and the charter school. The sponsor may deny
35 the request for renewal if, in its judgment, the charter school has failed to
36 complete the obligations of the contract or has failed to comply with this
37 article. A sponsor shall give written notice of its intent not to renew the
38 charter school's request for renewal to the charter school at least twelve
39 months before the expiration of the approved plan to allow the charter school
40 an opportunity to apply to another sponsor to transfer the operation of the
41 charter school. If the operation of the charter school is transferred to
42 another sponsor, the fifteen year period of the current charter shall be
43 maintained.

1 2. A charter operator may apply for early renewal. At least nine
2 months before the charter school's intended renewal consideration, the
3 operator of the charter school shall submit a letter of intent to the sponsor
4 to apply for early renewal. The sponsor shall review fiscal audits and
5 academic performance data for the charter school that are annually collected
6 by the sponsor, review the current contract between the sponsor and the
7 charter school and provide the qualifying charter school with a renewal
8 application. On submission of a complete application, the sponsor shall give
9 written notice of its consideration of the renewal application.

10 3. A sponsor shall review a charter at five year intervals and may
11 revoke a charter at any time if the charter school breaches one or more
12 provisions of its charter. At least ninety days before the effective date of
13 the proposed revocation the sponsor shall give written notice to the operator
14 of the charter school of its intent to revoke the charter. Notice of the
15 sponsor's intent to revoke the charter shall be delivered personally to the
16 operator of the charter school or sent by certified mail, return receipt
17 requested, to the address of the charter school. The notice shall
18 incorporate a statement of reasons for the proposed revocation of the
19 charter. The sponsor shall allow the charter school at least ninety days to
20 correct the problems associated with the reasons for the proposed revocation
21 of the charter. The final determination of whether to revoke the charter
22 shall be made at a public hearing called for such purpose.

23 J. The charter may be renewed for successive periods of twenty years
24 if the sponsor deems that the school is in compliance with its own charter
25 and this article.

26 K. A charter school that is sponsored by the state board of education
27 or the state board for charter schools may not be located on the property of
28 a school district unless the district governing board grants this authority.

29 L. A governing board or a school district employee who has control
30 over personnel actions shall not take unlawful reprisal against another
31 employee of the school district because the employee is directly or
32 indirectly involved in an application to establish a charter school. A
33 governing board or a school district employee shall not take unlawful
34 reprisal against an educational program of the school or the school district
35 because an application to establish a charter school proposes the conversion
36 of all or a portion of the educational program to a charter school. For the
37 purposes of this subsection, "unlawful reprisal" means an action that is
38 taken by a governing board or a school district employee as a direct result
39 of a lawful application to establish a charter school and that is adverse to
40 another employee or an education program and:

41 1. With respect to a school district employee, results in one or more
42 of the following:

- 43 (a) Disciplinary or corrective action.
- 44 (b) Detail, transfer or reassignment.
- 45 (c) Suspension, demotion or dismissal.

- 1 (d) An unfavorable performance evaluation.
2 (e) A reduction in pay, benefits or awards.
3 (f) Elimination of the employee's position without a reduction in
4 force by reason of lack of monies or work.
5 (g) Other significant changes in duties or responsibilities that are
6 inconsistent with the employee's salary or employment classification.
7 2. With respect to an educational program, results in one or more of
8 the following:
9 (a) Suspension or termination of the program.
10 (b) Transfer or reassignment of the program to a less favorable
11 department.
12 (c) Relocation of the program to a less favorable site within the
13 school or school district.
14 (d) Significant reduction or termination of funding for the program.
15 M. Charter schools shall secure insurance for liability and property
16 loss. The governing body of a charter school that is sponsored by the state
17 board of education or the state board for charter schools may enter into an
18 intergovernmental agreement or otherwise contract to participate in an
19 insurance program offered by a risk retention pool established pursuant to
20 section 11-952.01 or 41-621.01 or the charter school may secure its own
21 insurance coverage. The pool may charge the requesting charter school
22 reasonable fees for any services it performs in connection with the insurance
23 program.
24 N. Charter schools do not have the authority to acquire property by
25 eminent domain.
26 O. A sponsor, including members, officers and employees of the
27 sponsor, is immune from personal liability for all acts done and actions
28 taken in good faith within the scope of its authority.
29 P. Charter school sponsors and this state are not liable for the debts
30 or financial obligations of a charter school or persons who operate charter
31 schools.
32 Q. The sponsor of a charter school shall establish procedures to
33 conduct administrative hearings on determination by the sponsor that grounds
34 exist to revoke a charter. Procedures for administrative hearings shall be
35 similar to procedures prescribed for adjudicative proceedings in title 41,
36 chapter 6, article 10. Except as provided in section 41-1092.08, subsection
37 H, final decisions of the state board of education and the state board for
38 charter schools from hearings conducted pursuant to this subsection are
39 subject to judicial review pursuant to title 12, chapter 7, article 6.
40 R. The sponsoring entity of a charter school shall have oversight and
41 administrative responsibility for the charter schools that it sponsors.
42 S. Charter schools may pledge, assign or encumber their assets to be
43 used as collateral for loans or extensions of credit.
44 T. All property accumulated by a charter school shall remain the
45 property of the charter school.

1 U. Charter schools may not locate a school on property that is less
2 than one-fourth mile from agricultural land regulated pursuant to section
3 3-365, except that the owner of the agricultural land may agree to comply
4 with the buffer zone requirements of section 3-365. If the owner agrees in
5 writing to comply with the buffer zone requirements and records the agreement
6 in the office of the county recorder as a restrictive covenant running with
7 the title to the land, the charter school may locate a school within the
8 affected buffer zone. The agreement may include any stipulations regarding
9 the charter school, including conditions for future expansion of the school
10 and changes in the operational status of the school that will result in a
11 breach of the agreement.

12 V. A transfer of a charter to another sponsor, a transfer of a charter
13 school site to another sponsor or a transfer of a charter school site to a
14 different charter shall be completed before the beginning of the fiscal year
15 that the transfer is scheduled to become effective. An entity that sponsors
16 charter schools may accept a transferring school after the beginning of the
17 fiscal year if the transfer is approved by the superintendent of public
18 instruction. The superintendent of public instruction shall have the
19 discretion to consider each transfer during the fiscal year on a case by case
20 basis. If a charter school is sponsored by a school district that is
21 determined to be out of compliance with this title, the uniform system of
22 financial records or any other state or federal law, the charter school may
23 transfer to another sponsoring entity at any time during the fiscal year.

24 W. The sponsoring entity may not charge any fees to a charter school
25 that it sponsors unless the sponsor has provided services to the charter
26 school and the fees represent the full value of those services provided by
27 the sponsor. On request, the value of the services provided by the sponsor
28 to the charter school shall be demonstrated to the department of education.

29 X. Charter schools may enter into an intergovernmental agreement with
30 a presiding judge of the juvenile court to implement a law related education
31 program as defined in section 15-154. The presiding judge of the juvenile
32 court may assign juvenile probation officers to participate in a law related
33 education program in any charter school in the county. The cost of juvenile
34 probation officers who participate in the program implemented pursuant to
35 this paragraph shall be funded by the charter school.

36 Sec. 2. Section 15-184, Arizona Revised Statutes, is amended to read:
37 15-184. Charter schools; admission requirements

38 A. A charter school shall enroll all eligible pupils who submit a
39 timely application, unless the number of applications exceeds the capacity of
40 a program, class, grade level or building. A charter school shall give
41 enrollment preference to pupils returning to the charter school in the second
42 or any subsequent year of its operation and to siblings of pupils already
43 enrolled in the charter school. A charter school that is sponsored by a
44 school district governing board shall give enrollment preference to eligible
45 pupils who reside within the boundaries of the school district where the

1 charter school is physically located. A charter school may give enrollment
2 preference to and reserve capacity for pupils who are children of employees
3 of the school, employees of the charter holder, members of the governing body
4 of the school or directors, officers, partners or board members of the
5 charter holder OR PUPILS WHO ATTENDED ANOTHER CHARTER SCHOOL IF THE CHARTER
6 SCHOOL PREVIOUSLY ATTENDED BY THE PUPIL HAS IDENTICAL CHARTER HOLDER, BOARD
7 AND GOVERNING BOARD MEMBERSHIP AS THE ENROLLING CHARTER SCHOOL, PROVIDED THAT
8 ANY SCHOOL THAT ELECTS TO GIVE SUCH ENROLLMENT PREFERENCES SHALL BE TREATED
9 AS A SINGLE CHARTER SCHOOL FOR THE PURPOSE OF ESTABLISHING THEIR SUPPORT
10 LEVEL WEIGHTS FOR PURPOSES OF SECTION 15-943. If remaining capacity is
11 insufficient to enroll all pupils who submit a timely application, the
12 charter school shall select pupils through an equitable selection process
13 such as a lottery except that preference shall be given to siblings of a
14 pupil selected through an equitable selection process such as a lottery.

15 B. Except as provided in subsection C or D, a charter school shall not
16 limit admission based on ethnicity, national origin, gender, income level,
17 disabling condition, proficiency in the English language or athletic ability.

18 C. A charter school may limit admission to pupils within a given age
19 group or grade level.

20 D. A charter school may provide instruction to pupils of a single
21 gender with the approval of the sponsor of the charter school. An existing
22 charter school may amend its charter to provide instruction to pupils of a
23 single gender, and if approved by the sponsor of the charter school, may
24 provide instruction to pupils of a single gender at the beginning of the next
25 school year.

26 E. A charter school shall admit pupils who reside in the attendance
27 area of a school or who reside in a school district that is under a court
28 order of desegregation or that is a party to an agreement with the United
29 States department of education office for civil rights directed toward
30 remediating alleged or proven racial discrimination unless notice is received
31 from the resident school that the admission would violate the court order or
32 agreement. If a charter school admits a pupil after notice is received that
33 the admission would constitute such a violation, the charter school is not
34 allowed to include in its student count the pupils wrongfully admitted.

35 F. A charter school may refuse to admit any pupil who has been
36 expelled from another educational institution or who is in the process of
37 being expelled from another educational institution.

APPROVED BY THE GOVERNOR MAY 10, 2010.

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